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# ③ 'Playmate' to testify in Rewald trial

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Playboy Magazine's April Playmate, former Honolulu model Cynthia "Cyndy" Brooks, is scheduled to take the witness stand in Ronald Rewald's criminal trial today to tell why she invested in Rewald's firm.

Yesterday, her lawyer battled to protect what's left of the model's money in the Bishop Baldwin Rewald Dillingham & Wong bankruptcy case.

Attorney Arthur Reinwald said Brooks is entitled to keep the \$3,000 she withdrew from her account in May 1983.

Thomas Hayes, administrator of the bankrupt company, insists Brooks has to pay it back like anyone else who got funds out within 90 days of the August 1983 collapse.

Any money left or recovered goes into a pool for equal distribution among creditors, who stand to realize only about 4 cents on the dollar of their claims, Hayes said.

If she keeps the \$3,000, Brooks has a net loss of about \$2,456.

U.S. District Judge Martin Pence, presiding over the bankruptcy proceeding, took the question under advisement.

In a related action, Pence rejected Reinwald's request that he disqualify himself from hearing the case.

Pence admitted, "I am convinced that this was a Ponzi scheme," but said he reached that conclusion solely based on matters brought before him in court.

The only reason for a judge to disqualify himself in such a situation is if he has a personal involvement, Pence said, and he has none.

"It was not until this morning that I became aware that Miss Brooks had been the subject of considerable publicity, had been Miss April. I was unaware of that, which shows how naive I was," the judge said.

"As for Rewald, I never saw the man" before his company collapsed, Pence said.

Today, Brooks is scheduled to testify next door before Judge Harold Fong in Rewald's criminal case about muddled transactions between her, Rewald and Bishop Baldwin. Company records show Brooks gave Rewald and/or the company \$18,186, but that payments to her of \$3,000 from Rewald and \$7,000 more from the company were not deducted from her account balance as shown in quarterly statements she received.

Yesterday in the criminal case:

- Nancy Petersen of Milwaukee testified she invested \$225,000 with Rewald, more than \$200,000 of it from insurance payments when her father died.

- Elizabeth Halvorsen, an elderly former neighbor of Rewald's, claimed she lost more than \$800,000 in her Bishop Baldwin account, according to a stipulation approved by the prosecution and defense.

- Former company secretary Patricia Gallo said Rewald deposited \$15,000 to her account to "help me out," but she insisted there was no connection between the money and her sexual and personal relationship with the man. Gallo said her own relatives invested \$43,000 with Rewald at her suggestion.

- Lillian Botelho said she met Rewald at his request in an apartment across the street from his office, where he gave her a check for \$1,000 "to help me out." She said she received checks totaling \$7,000 from him.